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## MEXICO UNDER PRESIDENT DIAZ.

BY PRINCE AGUSTIN DE ITURBIDE.

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IN an article published in this REVIEW some months ago, M. Romero, then Mexican Minister of Finance, complained that false news regarding Mexico found easy access to the columns of American journals. His position was justified by the cases to which he referred, and by many others, but the complaint could scarcely have been expected from the representative of a Government that owes its existence, in no small measure, to the misrepresentation of its affairs. For, of the rulers of our times, none has derived greater benefit from the action of a subsidized press than has Mr. Diaz, notwithstanding the fact that he governs one of the countries where there is the steel of a thousand pens in the sabre of a soldier.

When Mr. Diaz came into power his government was supported by internal elements of stability that might have insured comparative peace such as he had not allowed the Republic to enjoy for years ; but, to control those elements by the means he devised, Mr. Diaz needed vast sums of money, for which he depended on foreign loans. It became necessary, therefore, to inspire foreign capitalists with confidence in the new order of things. Financial agents were accordingly sent to the money markets of Europe and of the United States, and a very simple plan to control the press was put into practice : numerous journals and periodicals were established at the public expense, to which government employés were compelled to subscribe ; whilst the independent press, whether Catholic or anti-Catholic, was muzzled with relentless persecution. The correspondents of foreign press associations were not neglected, and in the United States and Europe the services of leading organs were secured.

It is through such mediums that foreign readers know of Mexico and its government. An exaggerated idea of that vast and rich field for speculation was created, and American and European capitalists sent stagnant millions there to multiply. They did for Diaz what they did for Juarez Celman, and Juarez Celman did for them what Diaz will have done, for the financial policy of the northern dictator is culminating in a crisis such as his contemporary brought about in the Argentine.

At home Mr. Diaz had some difficulties, not very serious, to overcome. There was our exotic constitution. This consists, in part, of a statement of the "Rights of Man" as they were inspired by the French Revolution; and, in what concerns the political division and government of the Republic, it is, practically, a translation into the Spanish language of the constitution of the United States, while a fair number of its articles are devoted to the Catholic religion.

I cannot exaggerate the evil that has accrued to the Latin republics of America from the frenzy of their radical politicians for blind imitation of the institutions of the United States. Those theorists appear to have overlooked the fact that the true merit of the American Magna Charta consists in that it implies no sudden change from accustomed laws, no abrupt departure from the traditions of the people it is meant to govern, but gives to habit and to necessary innovations the sanction of law. Our liberals of the past generation would have best imitated this constitution, therefore, not by transplanting it into our language, but by giving Mexico a code in keeping with the tradition that bound us through six centuries to New Spain and Anahuac. The Liberator had proposed to do this, but his plan was not realized and, after many calamities, we inherited the one referred to, known as the Constitution of 1857.

In Mexico there had been but little public instruction. For three hundred years it had been governed by the laws of the Spanish Empire and during those centuries the Indians, a large majority of the population, were treated as minors. When independence was secured, thirty years of anarchy followed. It was that people, at that period of its history, whom the radicals proposed to govern by the laws of the most advanced nations. What wonder that those laws should never have been enforced and that there were few who took exception to breaches of the constitu-

tion for other purposes than to use them as political arms and revolutionary pretexts ! Juarez had suppressed the enemies who, like Mr. Diaz and others, continually rose in arms against him in the name of the constitution. His successor, Mr. Lerdo, had, for three years, triumphed over the same foes until he was overthrown by a revolution whereof the military command had been confided to General Diaz by its leader, Mr. Benitez, author of the revolutionary programme. That programme accused Lerdo and his subalterns of many breaches of the laws and promised reforms and constitutional amendments, all of which increased the obstacles between Mr. Diaz and the satisfaction of his ambition.

The presence of Benitez and of Gonzalez was the greatest impediment with which Mr. Diaz had to contend in the realization of his designs ; that of the former, because he still loved the liberal principles to which he had devoted a long and brilliant career and was, withal, the soul of the revolution and the most popular civilian in the party. Gonzalez viewed the situation from a different standpoint ; he had spent years in adversity with Diaz, had been his constant companion in former unsuccessful attempts to overthrow established governments, and had no less love than his commanding officer for riches and power. He was the most popular general in the army. Those two leaders were the only rivals Mr. Diaz had in the triumphant party.

But there were minor ambitions to satisfy. The civil wars of Spanish America gave rise to a class of men known in Mexico as *la chinaca* ; they congregated in bands of greater or less importance according to the renown of their chieftains, who assumed and conferred military titles, frequently recognized by the government in return for services received. In times of war *chinacos* served either or both parties without other considerations than those suggested by personal interest, for the *chinaca* was usually ignorant, undisciplined, having little heed for politics, and seeing in revolution merely an opportunity to thrive. Those nineteenth-century *condottieri* were organized in a species of feudal system ; ranches, haciendas, districts, each had its sovereign lord whose allegiance was due to some higher chieftain of the state or region. In many cases leadership among *chinacos* had become hereditary and at times was exercised by chiefs who had abandoned their adventurous career.

As revolutionary leaders had become rare since the fall of the

Empire—in fact, as they were represented in the field by Mr. Diaz and the officers whose services were pledged to him, he was the only commander-in-chief that *chinacos* had obeyed for years; they were identified with his interests and formed the basis of his power when his government was established. But his policy of fostering conflicting ambitions among *chinacos* would have become a stumbling-block in the hour of his success, had not favorable circumstances intervened.

The parties between which the French intervention found Mexico divided, and which represented principles, had been either paralyzed or transformed. The assassination of Miramon and Mejia left the Catholics without a military leader, and, the conservative elements having been wasted by war and mismanagement, the party was reduced to inactivity. The Liberals had remained in undisputed power, but the composition of their party was an assurance of its division; for while there were Liberals who believed, perhaps, that the destruction of the Church in Mexico (that was their programme) might be conducive to national prosperity, there were many Liberals of high degree whose ideal was neither to destroy Catholicism nor to establish radical principles, but to thrive by the spoliation of the Church or by the bounty of the government. There were others, with less selfish motives, who wished government to be guided by the Liberal theories and to protect the Liberal institutions that so much blood had been shed to enforce upon the country. And, both being disappointed, a faction had been formed that, in the name of Liberalism, kept the Republic in constant disorder. Conservative officers and statesmen, having no other field for action in politics or war than to abet or oppose the revolutions of Diaz, thought they served the country's interests best by giving their decisive support to that general. All but the memory had vanished of the parties in whose struggles, ten years before, the Powers of the old world and the new had intervened; the names, even, had changed, for it was no longer the Imperialists and Republicans, the Catholics and Radicals, the Conservatives and Liberals, but the Juarists or Lerdists defending their power and the Porfirists or Benitists struggling to grasp it. And these two parties contended until one was destroyed.

If, therefore, Diaz had many partisans to disappoint and con-

sequently lose, he could very easily isolate them by a judicious distribution of his favors. The character of Mexican revolutionists favored this end : their action is essentially local, and they combine their efforts under exceptional circumstances only, and never willingly away from their native regions. On the other hand, all organized resistance had been abandoned after the flight of Lerdo and his cabinet, and the few troops still in the field were successively reduced to obedience, so that discrimination between partisans of subaltern degree involved little more than sentimental importance, though friends of the President claim it implied a task that genius alone could undertake successfully.

But Diaz could not dispose so easily of obligations to his colleagues ; those engagements had been made with men he had not at that time the power to betray. To these, consequently, he gave due participation in the management of affairs, and their friends received proportionate shares of the spoils. In fact, the first administration of Mr. Diaz was conducted according to previous agreements in so far as was practicable. But towards the end of the term, Benitez, the only member of the government in whose integrity and ability the country had faith, was removed. The revolutionary programme provided that the President of the Republic and the Governors of States should not be re-elected to consecutive terms of office, whence it had been stipulated that Benitez should succeed Diaz. But this candidacy collided with the ambition of Gonzalez, whom Diaz always feared. Shortly before the time for the elections, Gonzalez assumed a threatening attitude and, as it was in his power to make a revolution, the President did not hesitate. Benitez found it advisable to depart from Mexican territory, and to Gonzalez was given command of an army with which he marched through the country, placing partisans of his own in the public offices occupied by the friends of Benitez. He was elected President of the Republic, having promised to replace Mr. Diaz in the chair at the expiration of the term.

The administration of Gonzalez was a reign of plunder, immorality, and vice that has few parallels in history. It served Mr. Diaz by making his own administration, unsatisfactory as it had been, appear good by comparison; and as no pains were spared to keep that comparison constantly in the minds of the people, he was regarded as a saviour, when, in 1884, he returned to the Presidency.

Mr. Diaz found the treasury ransacked and the revenues and even the public buildings hypothecated. Notwithstanding this condition of the public treasury, every other circumstance was favorable. Abroad there was an unusual tendency toward foreign speculation, and that propitious condition of the world's money markets was an assurance of eventual relief. Meanwhile the great commercial houses of Mexico offered to advance several millions of dollars to satisfy immediate exigencies. The question of money did not, therefore, present a very perplexing aspect at that time. On the other hand the neutrality of Gonzalez could be secured by allowing him and his friends the peaceful possession of the riches they had taken—(Diaz was not strong enough to deprive them of their wealth)—and of the Goverment of the State of Guanajuato, to which he had himself elected before abandoning the presidency ; but Gonzalez exacted the further stipulations that other governors of States, ministers abroad, and minor employees should retain the positions he had given them ; and upon these conditions, and that of alternating with Diaz in the Chief Magistracy, he was willing to continue the ally of his successor. It may be said, therefore, that between his own partisans and those of his rival, Mr. Diaz could depend on all the revolutionists in the country. Moreover, many of the officers who had served Lerdo until his fall, finding it incompatible with their military honor and personal dignity to accept the advances of Gonzalez's government, had returned to the service and given Mr. Diaz the guarantee of their honorable past.

The public in general, weary of civil war, more weary still of Gonzalez's irregularities, and being satisfied that the return of Diaz to power was the only means of insuring a relative peace, hailed him as "the necessary man." His popularity was the greater at that time, since, as I have said, he was prevented during his first administration from exhibiting his dictatorial propensities to their full extent. The President had, therefore, no restraint upon his action and was free to shape the nation's course as might, according to his understanding, best serve its interests. I do not know whether at that time Diaz conceived a policy that might serve those interests and his own, but it is certain that the one he adopted was the least calculated to do either, for ten years have sufficed to alienate the public will, impair the sources of public wealth, retard the natural development of the

country, plunge the country into bankruptcy, and bring upon himself the distressing mania of persecution.

Unlike the great men whose superiority has in different epochs enabled them to establish despotic governments, Diaz founded his on the incompetency of his supporters, for he appears ever to have been conscious of his impotence to subdue the stronger and more enlightened of his fellow-countrymen, and, deeming their possible hostility a constant menace to his power, he has not only excluded them from all participation in the management of affairs, but made it his constant care to destroy them. In a country whereof the social conditions had been so agitated, it is readily understood that many fair reputations reposed on anything but solid bases. Some, whose principles were not well defined, were seduced ; others were exiled to foreign missions, consigned to infected prisons, or subjected to an espionage that makes them at times envy the life of a prisoner ; and others were killed or forced to seek in foreign countries refuge from a persecution that frequently follows them beyond the frontiers of the Republic. Thus the nation is deprived of the services of its ablest citizens, and intellect, character, virtue, whatever appears above the level of mediocrity is sacrificed to the envy and fear of a sterile ambition.

The men to whom power is confided are chosen from among those who are so constituted as to be trustworthy lieutenants of the dictator and, since the absence of lofty aspirations is, in his sight, the most desirable qualification, it follows that the representatives of his rule throughout the country are, with some exceptions, individuals of admitted inferiority and of no less recognized laxity of morals; their employment being a conspiracy against order, their fidelity is rewarded by the toleration of local despotism and proportionate participation in the general plunder that is an essential feature in the government's policy.

It is evident that the \$40,000,000, more or less, to which the national revenue amounts, is not sufficient to defray the expenses of this system ; foreign loans have, therefore, become a necessity. These have been obtained by misrepresenting the state of things in Mexico, and it is surprising with what ease financial agents and a subsidized press have been able to inspire a belief that the retrograde course of the Mexican Government is an expression of prosperous development, too sudden, too rapid, too

thorough not to be at variance with all the laws of human progress. Such exaggerated reports must naturally rest on some concrete facts, and these were manufactured. Railroads, mining companies, land syndicates—here and there a factory—sprang up at the expense of enormous subventions, and by virtue of the same not a few schemers were suddenly enriched ; these became trumpeters of Mr. Diaz's fame ; and, with the example of their prosperity, and with statements of enterprises apparently flourishing, and of the prospects of others about to be undertaken, the Mexican boom was brought about. So it was plausible to go into the money markets of Europe to borrow millions “for the conversion of the public debt,” “for the liquidation of subventions,” for anything but the real purpose, which was to have an ample supply of funds for the consolidation of Cæsarism.

Large portions of the loans contracted by the federal government were necessarily devoted to the objects for which the money had been avowedly borrowed, and the remainder was never sufficient to admit of necessary divisions ; wherefore governors, also, contracted debts in the names of their respective States, cities and towns followed the example, until, in all, the indebtedness of the Republic has reached a chaotic condition that represents not a few perplexing problems. In fact, at the time when Mr. Diaz's financial situation was at its best, when the credit of his government was at its highest, the diplomatic representative of a foreign power reported to his government that the Republic was insolvent. His statement was erroneous, but it so nearly expressed the apparent truth that one cannot criticise the diplomat to whom I refer for deducing it from the premises on which he reasoned. I may as well say that one of those premises was the fashionable hypothesis of that time : that the rule of Diaz was to be longer than present indications would lead us to suppose.

I have in my possession a pamphlet that was not allowed to circulate in Mexico; the author of which enters into many interesting details of the transactions to which I have alluded and strengthens his statements with names and figures. The following paragraph which I translate illustrates one form of manipulation under the Diaz régime :

Another loan was negotiated by the government of Porfirio Diaz to liquidate subventions due the railroad companies of the Republic. When

the funds had been obtained, the Secretary of the Treasury showed some reluctance to dispose of them in the proposed way. The Mexican Central was the largest creditor—Government owed that company \$14,000,000—and the tardiness in paying affected stocks and bonds. The Secretary of Public Works offered to use his influence to secure an immediate liquidation in exchange for the materials necessary to construct and operate a railroad of thirty kilometres between his hacienda of Motzorongo and the Vera Cruz road. . . . The company, recognizing the risk its money ran in the hands of Diaz's government, accepted Pacheco's proposition.

Not long ago I read a statement concerning the last loan ; it showed by judicious reasoning and statistical proof that the government had in this case endeavored to incur liabilities to the extent of \$27,000,000 for a benefit to the nation of about \$6,000,000, but, Mr. Diaz's credit having declined, the loan has been only partially subscribed.

The question arises, What action will future governments take regarding the securities that the present one has issued in the name of the nation? No one can give a positive answer to that question, but it seems to be the opinion of the majority that some agreement must be made with foreign creditors, since the public faith has to some extent been pledged, and since the country has in some measure profited by a portion of the funds obtained. This sentiment does not prevail, however, in regard to loans such as the last, made against the protest of the nation and for no other manifest purpose than to perpetuate its enthralment. Original speculators are not ignorant of the problematical value of such securities launched on European markets and have disposed of them in due season ; the result can be indirect only for them, but it may be very positive for others.

It is apparent from what has been said that Mexico's "unprecedented development"—our "material progress," as Mr. Diaz's friends are fond of calling it—is neither more nor less than a subterfuge necessary in the financial policy of the dictatorship and constituting the following vicious circle : Enterprises of different kinds are set on foot at the expense of subventions that in themselves assure a profit, if not a fortune, to original contractors ; a sufficient portion of those subventions is paid from existing funds to facilitate the beginning of operations and the floating of stock ; subsidized organs then raise a cry throughout Europe and America to draw the attention of money markets to the field for speculation that "Mr. Diaz's genius is opening to the world" ; Mr. Diaz's agents go before deceived foreign publics,

make it worth the while of some influential financier to assist, and secure a loan ; with part of that loan original subvention accounts are liquidated and the country is again declared to be enjoying a foretaste of the millennium. In the mean time, neither a flourishing traffic nor the development of commerce is proportioned to expectations, but both are affected by the uncontrollable depreciation of silver, while legitimate enterprise is hampered by prohibitory taxation and partisan monopoly to an extent that makes even due calculations disappointing.

With money obtained in the manner described and with other elements alluded to, Mr. Diaz established a dictatorship. Cæsarism the world over proceeds by like means to the same end; the special features it has developed lately in Mexico are due to the unusual circumstances under which Mr. Diaz became its agent.

The Mexican constitution was very liberal, to begin with, and the still more liberal amendments made after the revolution, together with promises of further reforms, were even more binding upon the President. The whole must, therefore, be disregarded, and, in so far as possible, abolished. But, I repeat, the phraseology of the constitution, "United States of Mexico," "Universal Suffrage," "Free, Sovereign, and Independent States," and such like, had for a quarter of a century supplied all the pretexts for insurrection, and were familiar sounds that, for reasons I need not enumerate, must be preserved. But, to undermine the form of government those words represent, it was sufficient to undermine public suffrage.

If in the classic lands of freedom elections are sometimes avowedly farcical, in a country where they have seldom decided a question at issue their influence is readily destroyed by the action of martial law. As a result the governorship of States, seats in Congress and State legislatures, and, in a word, all offices to be given by the people are filled by nominees of the President, or of others with his consent, and they remain in office until they become unsatisfactory—which is seldom the case. This system, of course, makes one man the sole motor of every legislative and administrative act throughout the Republic. The judicial branch of the Government is subjected in like manner to the President's will. The pamphlet from which I quoted above gives as illustrative of this fact a case in which the Supreme Court, having decided in a given sense, reversed its decision two days

later by order of the President. Journalists had for a while been to some degree exempt from these arbitrary practices, because the constitution provided that, if one jury found them guilty, a second jury should impose the penalty. But as jurors were often more devoted to the cause of justice than to the interests of the Government, the constitution was amended in a sense that brought disaffected writers under the immediate control of judges.

The constitutional amendment made, in accordance with the programme of the revolution, to declare the President of the Republic and Governors of States ineligible to consecutive terms of office was twice re-amended. Prior to 1888 the new form allowed those functionaries to serve for *two* consecutive terms, and in 1890 the last amendment allowed indefinite re-election. In both cases what few arguments were advanced by friends of the administration were based on the theory of the "necessary man."

Thus, as has often been repeated, with the most liberal laws and a government the most despotic, Mexico is subjected to a *régime* that produces the evils of both the written and the practised forms without the advantages of either.

One would naturally ask, What means can have been employed to make a people endure such a condition of affairs? The question can be answered in two words: Money and Murder—abetted by an unaccountable hope that Mr. Diaz inspired some years ago and by fatigue of civil war; and if those two words are in themselves revolting as expressive of a government's policy, the way in which official assassination is practised cannot be adequately qualified. The favorite form is the application of the *fugitive law*, in virtue of which a prisoner who attempts to escape is fired upon. An offender is conveyed, usually at night, from the place where he may have been arrested, and the guard shoots him "to prevent evasion"; sometimes they say he escapes, and sometimes they find it simpler to say nothing. This form of execution is very often applied to public malefactors, and, though it is true society gains by the removal of such pernicious members, it is difficult to understand why a government should resort to lynching in cases where law would be efficient—the only explanation therefore is to be found in the necessity of inspiring terror. The fugitive law is not applied by order of the President alone, but is tolerated in his menials, and it is easy to conceive the unlimited abuses of which it admits in the hands of lordlings who have seen

their sand-bags turned to feudal sceptres. But it speaks highly, very highly, for the courage of the Mexican race that, in the presence of sure ruin on the one hand, and with a golden path inviting them on the other to comfort or affluence, the government has found it useful to kill many thousands of our fellow-countrymen. The lowest estimate I have heard for official assassinations gave, in 1891, an average of one and a half per day since Mr. Diaz's accession to power.

As for money, the last efforts show that further loans cannot be negotiated and, as I said, the yearly revenue will not defray the expenses of the Diaz system. On the other hand, the feeling of the later seventies and early eighties, that made peace appear cheap at any cost, has changed: the people think now that, under the present government, peace costs more than it is worth. Plotting, scheming, conspiracy, are rampant throughout the country. It is not many months since it was found advisable to send ten thousand troops of the line to suppress a local movement in the State of Guerrero, and similar affairs have claimed the government's attention in the States of Puebla, Jalisco, Guanajuato, Chihuahua, and elsewhere. A general feeling of impending collapse is noticeable throughout the country. The hope Mr. Diaz had inspired has vanished, and people seem to be preparing for "the unforeseen."

"*El Universal*," a ministerial daily paper, referring to the deficit in this year's budget, says:

"Government has not abandoned the contest. Far from that, it struggles with all its might—heroically—as becomes its honor and its duty; it has realized stupendous economies—all that were compatible with an efficient public service; it has created new sources of revenue—all that were possible under these delicate circumstances—and, assisted by the enlightened committee on the budget, it has insured a wonderful reduction in the deficit. But the evil subsists and may become more serious; and, if the value of silver falls in the next three months proportionately as it has in the past, all hope of equilibrium will have disappeared."

When the personal organ of the President finds nothing better to publish than this, it would appear that we are being prepared for further "stupendous economies" in the form of repudiated obligations. The deficit for this year is estimated at \$8,000,000, and at \$13,000,000 for the next. Government organs admit a deficit of \$3,000,000 for 1894, and trust to Mr. Diaz's ability for 1895.

Thus, after exercising absolute power for ten years, having larger revenues and fewer legitimate expenses than had any of his predecessors, the "necessary man" has burdened Mexico with a debt of \$200,000,000 and sunk his government into bankruptcy from which, as he says in his speech to Congress, only extraordinary measures can extricate it. He does not suggest to what extraordinary measures he may resort.

I would be misunderstood if readers of the *NORTH AMERICAN REVIEW* supposed me to believe the situation hopeless, for, with the rest of my countrymen, I have implicit faith in the integrity of a new generation and, consequently, see in the approaching fall of Diaz the solution of our difficulties and an assurance of national prosperity.

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